



AZRIELIGROUP

Azrieli Group Ltd.
(the "Company")

19 December 2024

To
The Israel Securities Authority
Via Magna

To
Tel Aviv Stock Exchange Ltd.
Via Magna

Dear Sir/Madam,

Re: Immediate Report regarding Entry into an Agreement for Finance of the TikTok Project

As previously reported¹ by Azrieli Group Ltd. (the "**Company**") in the course of 2023, Green Mountain AS, an (indirect) wholly owned subsidiary of the Company ("**Green**"), which operates in the data center industry by means of a wholly owned subsidiary thereof (the "**Service Provider**"), has entered into a services agreement with TikTok Norway AS (the "**Client**"), for provision to the Client of data center services in the scope of 90MW² on a campus that Green is building in Norway (the "**Agreement**" and/or the "**Project**", respectively).

The Company further reported negotiations that were being conducted with a lender for the receipt of non-recourse finance for the Project.

The Company respectfully apprises that on 18 December 2024, the Service Provider entered into a non-recourse loan agreement with two foreign banking corporations (the "**Lenders**"), the key points of which loan agreement are listed below:

- **Amount of the loan: €371 million but no more than 50% of the value of the Project.**
- **Interest rate:** Variable interest, with a 4.3% margin over the 3-month EURIBOR. The Service Provider has undertaken to acquire hedges against changes in the variable interest rate (EURIBOR) for a minimum of 80% of the amount of the loan and has also undertaken to pay 2.5% of the original amount of the loan at the end of the term of the loan.
- **Term of the loan:** 5 years as of the date of signing of the loan agreement³.

¹ For further details, see the immediate reports of 8 March 2023 (Ref. 2023-01-024873) (the "**Original Report**") and 3 July 2024 (Ref. 2024-01-068701), the contents of which are incorporated herein by reference.

² Prior to exercise of the Client's options to increase the amount, as specified in the Original Report.

³ The Service Provider has the option to extend the term of the loan by one additional year, subject to certain conditions.

- **Repayment (principal and interest)**: Interest will be paid on a quarterly basis. The principal will be repaid at a rate of 2.5% per year (the balance of the principal will be repaid at the end of the term of the loan).
- **Financial covenants**: Debt to Project value ratio (LTV) – lower than 50%, interest coverage ratios (ICRs) reflected in the ratio between the monthly proceeds from the Client net of operating expenses and the interest payments in respect of the loan – at least 1.5, ratio between the monthly proceeds from the Client net of operating expenses and the amount of the debt during the measurement period – at least 15.
- **Prepayment**: During the first 30 months of the loan, prepayment is available to the Service Provider subject to payment of the entire interest for the remainder of this period. After such period, no prepayment fee will apply.
- **Collateral**: A charge on all the Service Provider's rights in the Project and on all the Service Provider's rights that arise from the Agreement and from other agreements in connection with the Project; a charge on the entire share capital of the Service Provider.
- **Undertaking by companies of the Group**: The Company and a foreign subsidiary thereof have undertaken to make capital injections in respect of certain obligations of the Service Provider as set out in an annex to the loan agreement.
- **Conditions precedent**: Withdrawal of the loan is contingent, *inter alia*, on the execution of an amendment to the Agreement with the Client as well as an agreement that regulates the relations between the Service Provider, the Client and the Lenders, full delivery of the 90MW to the Client and receipt of confirmation of the amount of power required for operation of the entire Project.
- **Additional provisions**: The loan agreement includes other standard arrangements, including various fees, provisions on dividend distributions by the Service Provider subject to the occurrence of certain circumstances, and others.

It is emphasized that as of the date of this report, there is no certainty that the conditions for provision of the loan will be satisfied and/or with respect to the date of provision thereof.

Sincerely,
Azrieli Group Ltd.

Signed by: Adv. Nirit Zeevi, VP, General Counsel and Company Secretary